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BY FEDERAL EXPRESS
October 25, 2004

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
2004 OCT 26 / P 2:11

Regarding: Filing of Complaint with Commission

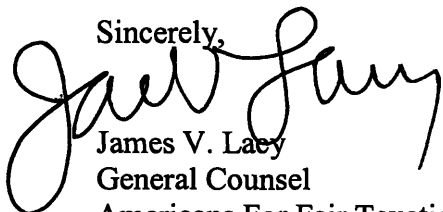
Dear Office of General Counsel:

Attached to this letter is a Complaint that I am filing because I believe a violation of the Federal Election Campaign Act and Commission regulations has occurred and is about to occur.

The attached Complaint complies with the Commissions requirements to file a complaint, namely, it is in writing and includes three copies. The full name and address of the person filing the Complaint (me) appears at page 13 of the Complaint. I am the Complainant. The Complaint is signed, sworn and notarized, and the notary public's certificate states it is "signed and sworn to before me."

Please contact me at the above listed telephone number with any questions.

Sincerely,



James V. Lacy
General Counsel
Americans For Fair Taxation

2604150351

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF:

ITC Research, :
Mitchell Research & Communications, Inc., :
Steve Mitchell, :
SurveyUSA, :
Fred R. Bierman, :
USA Public Opinion Group, :
Nancy Pelosi, :
Democratic Congressional Campaign :
Committee, :
RESPONDENTS. :

MUR NO. 5585

COMPLAINT

Pursuant to 11 CFR Section 111.4, the undersigned hereby files this Complaint with the Federal Election Commission ("Commission"), alleging as follows:

SUMMARY OF ALLEGATIONS

On information and belief, the undersigned alleges that Respondents have produced and are in the process of producing millions of illegal telephonic voter communications across the nation, shrouded as polling questions, with the intention of defeating President George Bush and at least 28 Republican candidates for Congress. More specifically, this Complaint alleges that these recorded telephonic communications, sometimes referred to as "push polls," violate the Federal Election Campaign Act because they do not include the required notice to the public identifying who paid for the calls. The undersigned contends that Respondents are violating the Act and are continuing to violate the Act because the telephone calls are funded by corporate, union, and otherwise illegal sources of money, which are also not being disclosed to the public.

26044150352

The named Respondents include: ITC Research; Mitchell Research & Communications, Inc.; Steve Mitchell; Survey USA; Fred R. Bierman; USA Public Opinion Group; Nancy Pelosi and the Democratic Congressional Campaign Committee.

RELEVANT STATUTES & REGULATIONS

FECA defines a “public communication” to include a “telephone bank to the general public.” 2 U.S.C. Section 431(22); see also 11 CFR Section 100.26.

Under 2 U.S.C. Section 431(24); (see also 11 CFR Section 100.28) a “telephone bank” is defined as meaning more than 500 telephone calls of an identical or substantially similar nature within any 30-day period.

FECA prohibits public communications that do not include a notification to the public of who is paying for the communication. 2 U.S.C. Section 441(d); see also 11 CFR Section 110.11. Specifically, all public communications (including telephone banks) for which a political committee makes a disbursement must contain a notice to the public identifying the political committee that paid for the communication. All public communications that expressly advocate the election or defeat of a clearly identified candidate must also contain the notice to the public identifying who paid for the communication. All electioneering communications by any person must contain the required notice to the public identifying who paid for the communication. See 11 CFR Section 110.11(1),(2) and (4).

Businesses, such as providers of telephone bank services, that receive contributions aggregating in excess of \$1,000 or which make expenditures aggregating in excess of \$1,000 on public communications are “political committees” subject to

disclosure and filing requirements with the Federal Election Commission. 2 U.S.C. Section 431(4)(5)(6); see also 11 CFR Section 100.5.

The actual wording of a disclaimer required by the Commission in a public communication differs depending on the source of support for the communications. For a telephone bank public communication that is authorized and paid for by a candidate, the disclaimer must identify who paid for the message. Example: "Paid for by the Sheridan for Congress Committee." 11 CFR Section 110.11(b)(1).

On a telephone bank public communication that is authorized by a candidate or his/her committee, but is paid for by another person, the disclaimer notice must identify whom paid for the communication and indicate that the candidate authorized the message. Example: "Paid for by the XYZ State Party Committee and authorized by the Sheridan for Congress Committee." 11 CFR Section 110.11(b)(2).

On a telephone bank public communication that is not authorized by a candidate or his/her campaign committee, the disclaimer notice must identify who paid for the message, state that it was not authorized by any candidate or candidate's committee and list the permanent street address, telephone number or World Wide Web address of the person who paid for the communication. Example: "Paid for by the QRS Committee (www.QRScommittee.org) and not authorized by any candidate or candidate's committee." 11 CFR Section 110.11(b)(3).

In order to give the listener sufficient notice about the persons paying for a telephone bank public communication, the disclaimer notice must be "clear and conspicuous." The notice will not be "clear and conspicuous" if it is difficult to hear. 11 CFR Section 110.11(c)(1).

FACTUAL ALLEGATIONS

On Information and belief, it is alleged as follows:

Respondents

1. Respondent ITC Research is a business located at 314 B Evergreen, East Lansing, Michigan 48823, telephone 517-351-4111. ITC Research has been and is expending funds in violation of FECA by causing telephone bank public communications to occur without the required disclaimer and by failing to register with the Commission as a political committee.

2. Respondent Mitchell Research & Communications, Inc. is a business located at 314 B Evergreen, East Lansing, Michigan 48823, telephone 517-351-4111. Mitchell Research & Communications, Inc. has been and is expending funds in violation of FECA by causing telephone bank public communications to occur without the required disclaimer and by failing to register with the Commission as a political committee.

3. Respondent Steve Mitchell is the Chief Executive of ITC Research and Mitchell Research & Communications, Inc., located at 314 B Evergreen, East Lansing, Michigan 48823, telephone 517-351-4111. Steve Mitchell has been and is causing funds to be expended in violation of FECA by causing telephone bank public communications to occur without the required disclaimer and by failing to register with the Commission as a political committee.

4. Respondent SurveyUSA is a business located at 15 Bloomfield Ave., Verona, New Jersey, telephone 800-786-8000. SurveyUSA has been and is expending funds in violation of FECA by causing telephone bank public communications to occur

without the required disclaimer and by failing to register with the Commission as a political committee.

5. Respondent Fred R. Bierman is a top executive of SurveyUSA, a business located at 15 Bloomfield Ave., Verona, New Jersey, telephone 800-786-8000. Fred R. Bierman has been and is causing funds to be expended in violation of FECA by causing telephone bank public communications to occur without the required disclaimer and by failing to register with the Commission as a political committee.

6. Respondent USA Public Opinion Group, location unknown, status unknown, has been and is expending funds in violation of FECA by causing telephone bank public communications to occur without the required disclaimer and by failing to register with the Commission as a political committee.

7. Respondent Nancy Pelosi is a member of the United States Congress. By information and belief, Petitioner believes Respondent Nancy Pelosi is informed of efforts by the other listed Respondents to violate the FECA, and is conspiring with the other Respondents and other persons to cause telephone bank public communications to occur without the required disclaimer and by conspiring to avoid registration with the Commission of political committees, in order to influence the election for President of the United States and certain Democrat candidates to the United States Congress, as described in more detail in this Complaint.

8. Respondent Democratic Congressional Campaign Committee ("DCCC") is a party committee registered with the Federal Election Commission. By information and belief, Petitioner believes Respondent DCCC is informed of efforts by the other listed Respondents to violate the FECA, and is conspiring with the other Respondents and

other persons to cause telephone bank public communications to occur without the required disclaimer and by conspiring to avoid registration with the Commission of political committees, in order to influence the election for President and of certain Democrat candidates to the United States Congress, as described in more detail in this Complaint.

Activities Giving Rise To Alleged FECA Violations

9. Americans for Fair Taxation ("AFFT") is a nonprofit social welfare organization that is exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code. AFFT supports reform of U.S. tax system, specially, Federal legislation known as the "Fair Tax." The "Fair Tax" is a national consumption tax proposal that would replace much of the Internal Revenue Code. The "Fair Tax" is sometimes referred to, inaccurately, as the "National Sales Tax" plan.

10. The telephone bank public communications that Respondents are causing to occur are presented to the listener as a recorded "poll," however, the content of the poll includes the names of President Bush and the particular candidates for Congress in the district of the listener, and the message is framed to "push" the listener to oppose President Bush and the Republican candidate by providing derogatory and inaccurate information about the economy or the Fair Tax.

11. A common text of the telephone bank public communication at issue in this complaint was received in the 8th Congressional District of Illinois on October 12, 2004. The call is transcribed as follows:

Hello, this is ITC Research with our one question Illinois poll. Last week's federal economic reports indicated that the job market is tight, wages are stagnant,

and middle class families have to pay more for everything from taxes, to healthcare, to college tuition. In the race for Congress, Phil Crane supports the Bush economic plan. His opponent, Melissa Bean supports a rollback of the Bush tax cuts. Based on this information, press 1 if you would support Melissa Bean, who wants to rollback tax breaks for the rich. Or, press 2 if you would support Phil Crane who will continue the Bush economic plan.

12. Attached to this Complaint as "Exhibit 1" is a true and correct compact disk with a true and correct audio recording of another such illegal telephone bank public communication, one that is apparently coordinated with the call heard as stated above in Illinois, because of the striking similarity of text. The following illegal telephone bank communication, also failing to identify the entity paying for the public communication as required by the Commission, was heard in the 3rd Congressional District of Kentucky during the first week of October, 2004. The source of this information is Patrick Neely, 4014 Dutchmans Lane, Suite 7B, Louisville, KY 40207. The text of the recording is as follows:

Hello. This is USA Public Opinion Group with our one-question Kentucky poll. President Bush is supporting a new national sales tax on everything, including food and clothing. If this tax were to become law, the middle class would pay billions more in taxes while losing all of their deductions, including the home and mortgage deductions. In the race for congress, Tony Miller is opposed to the national sales tax because it unfairly places the tax burden onto the middle class at a time when families are struggling. Based on this information, press 1 if you

would vote for Tony Miller who is opposed to the national sales tax, or press 2 if you would vote for Anne Northrup and the Bush economic plan.

13. According to an article that appeared the in *Louisville Courier-Journal* on October 16, 2004, Democratic Congressional candidate Tony Miller disavowed any knowledge of or responsibility for the illegal telephone bank message. His campaign press secretary states "we don't know anything about it." In support of this statement, attached as "Exhibit 2" is a true and correct copy of the article "Miller disavows 'push poll' calls that target Northrup" from the October 16, 2004, edition of the *Louisville Courier-Journal*.

14. According to reports received by Americans for Fair Taxation, telephone bank public communications similar to the one stated above, that do not contain the required Commission disclaimer, have been and are being made in the following Congressional District elections throughout the nation: *AZ-01, CO-03, CO-04, CT-02, DE-01, GA-01, GA-07, GA-12, IA-04, IL - 08, IN-02, IN-08, KS-03, KY-03, KY-04, KY-06, LA-01, LA-02, LA-03, LA-07, MO-05, MO-06, MO-09, NC-11, NC-12, NE-01, NM-01, NM-02, NV-01, NV-03, OH-15, PA-06, PA-08, PA-09, PA-13, TN-01, TX-12, VA-02, and VA-09.*

15. In each case, the telephone bank public communication poses as a poll, provides derogatory and incorrect information about the economy or the Fair Tax, and associates President Bush and the Republican Congressional candidate with the derogatory position leaving no reasonable doubt that the call is intended to persuade the recipient to vote against President Bush and each corresponding Republican candidate.

In each case, the telephone bank message fails to include the disclaimer required by the Commission.

16. Volunteers of Americans for Fair Taxation who report having received and heard the illegal telephone bank calls that failed to include the required Commission identification disclaimer include following:

Harrison Raymo

Cameron, MO 64429-2144
MO-06

Brian Bowen

Athens, GA 30606-2621
GA-12

Richard David Hayes

New Iberia, La 70560-3805
LA-03

Patricia Paulk

Hendersonville, NC 28739-8454
NC-11

Ronald Rieger

Chalmette, LA 70043-1135
LA-03

David Pippinger

Hayesville, NC 28904-4814
NC-11

Josh Bentley

Norristown, PA 19403-5305
PA-06

26044150360

Larry M. Wahl

Liberty, MO 64068-2215
MO-06

Mr. Allen Shisler
722 Rosewood Dr.
Suite 100
Spring, TX 77381-1037
TX-08

17. Respondent DCCC has just started a direct-mail effort that is focused on attacking Republican candidates for Congress on the issue of the "National Sales Tax" plan. The timing of this direct-mail campaign, focused on many of the districts that have received the illegal telephone bank calls, raises an issue of coordination between the DCCC and the producers of the illegal telephone bank communications. In support of this statement, attached to this Complaint as "Exhibit 3" is a true and correct copy of a DCCC direct-mailing attacking "Ted Poe's National Sales Tax Plan."

18. Respondent Nancy Pelosi has repeatedly criticized the National Sales Tax Plan as "a burden to middle class Americans, but a boon to the wealthy." In support of this statement, attached to this Complaint as "Exhibit 4" is a true and correct copy of a website statement from the Office of the House Democratic Leader Nancy Pelosi making such statement. Respondent Nancy Pelosi has also attempted to bring national focus to the national sales tax issue by causing the release of a report by the Democratic staff of the House Ways and Means Committee that is critical of the plan. In support of this statement, attached as "Exhibit 5" is a true and correct copy of an article from The State.com, posted Friday, September, 24, 2004, wherein Respondent Pelosi is reported as released such report.

19. Respondent Pelosi has also publicly stated that she will use the National Sales Tax Plan as a tool to target several Republican Congressional incumbents for defeat, including Congressmen: Max Burns of Georgia (GA 12); Philip Crane (IL 8); John Hostettler (IN 8); Rob Simmons (CT-2); Heather Wilson (NM 1); Charles Taylor (NC 12); and Jim Gerlach (PA 6) and Anne Northrup (see paragraphs 12 and 13 above). In support of this statement, attached as "Exhibit 6" is a true and correct copy of "Congress Daily/PM" published by National Journal, dated October 1, 2004, which states that Pelosi will oppose the above mentioned Republican members of Congress using the National Sales Tax Plan as an issue.

20. Other press accounts support the national scope of this conspiracy to evade the requirements of the Federal Election Campaign Act and the public disclosure requirements of the Commission. In support of this statement, attached as "Exhibit 7" is a true and correct copy of the *Baton Rouge Advocate* article dated October 19, 2004 referring to an illegal "USA Public Opinion Group" telephone bank poll on the national sales tax issue in Louisiana; attached as "Exhibit 8" is a true and correct copy of "House Race Hotline" dated October 19, 2004 referring to an illegal "push poll" in Kentucky; attached as "Exhibit 9" is a true and correct copy of *The Hartford Courant* dated October 19, 2004 referring to an illegal "pre-recorded robo-call" on the national sales tax issue in Connecticut; attached as "Exhibit 10" is a true and correct copy of an article appearing the Philadelphia Intelligencer dated October 21, 2004 stating "Fitzpatrick: Phone messages illegal" from USA Public Opinion Group in a congressional district in Pennsylvania; and attached as "Exhibit 11" is a true and correct copy of a *Washington Times* article dated October 21, 2004 in which the Democratic Senatorial Committee

stating "the tax issue has been effective for us," and that it is using the national sales tax issue on a national basis.

20. The illegal telephone bank messages which are the subject of this Complaint were all received this month in the Congressional districts stated above, by the persons stated above, and were all intended, leaving no reasonable doubt that the call was to persuade the recipient to vote against President Bush and the corresponding Republican Congressional candidate. In each case, the telephone bank message did not include the public notice identifying who paid for the telephone call as required by the Commission.

LEGAL ANALYSIS

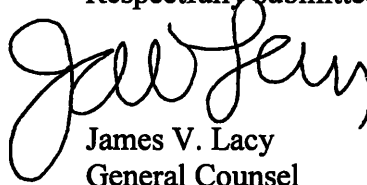
The foregoing facts establish a clear intent on the part of Respondents to violate the FECA. In particular, the facts establish current and planned violations of the FECA's requirement that public communications bear a disclaimer containing the identity of the person or committee that paid for the communication. See 2 U.S.C. Section 441(d); see also 11 CFR Section 110.11. Further, the facts suggest that entities involved in the illegal telephone bank calls have illegally failed to register with the Commission as political committees. See 2 U.S.C. Section 431(4)(5)(6); see also 11 CFR Section 100.5. In addition, the well-know and stated objective of Respondent Nancy Pelosi to attack incumbent Republican Congressman on the National Sales Tax issue, the timing of the calls, and the fact that the Respondent Democratic Congressional Campaign Committee has launched a direct-mail effort on the same theme targeted at Republican Congressional candidates is evidence that strongly suggests that such Respondents are participating in a

conspiracy to violate 2 U.S.C. Section 441(d) and 2 U.S.C. Section 431(4)(5)(6) of the Federal Election Campaign Act.

CONCLUSION

For the reasons set forth herein, the Commission should forthwith make a finding of reason to believe that violations of FECA have occurred or are about to occur, see 11 CFR Section 111.9, and open an official investigation into the matters disclosed herein pursuant to 11 CFR Section 111.10.

Respectfully submitted,



James V. Lacy
General Counsel

Americans for Fair Taxation
c/o Wewer & Lacy, LLP
30011 Ivy Glenn Dr., Ste. 223
Laguna Niguel, CA 92677
Tel. 877-449-2700
Fax 949-248-5426
e-mail: James.Lacy@wewerlacy.com

26044150364

DECLARATION UNDER OATH

Under penalty of perjury, James V. Lacy declares that to the best of his knowledge, information and belief, the statements contained in the foregoing Complaint are true.

Sworn pursuant to 18 U.S.C. Section 1001.

James V. Lacy
James V. Lacy

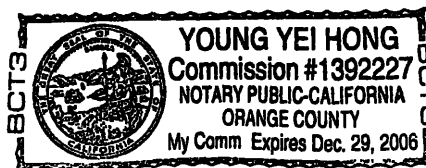
Laguna Niguel, CA

The foregoing instrument was signed and sworn
To Before me this 25 day of October, 2004 by

James V. Lacy

Y. H. Hong
Notary Public

My Commission expires Dec 29, 2006



26044150365

EXHIBIT 1
(CD Removed)

26044150366

EXHIBIT 2

26044150367

Subj **Fw: Northrup target of anti fairtax push poll calls/evidence - she is NOT a cosponsor but is in a targeted race.**
 Date 10/20/2004 8 20 12 PM Pacific Standard Time
 From
 To

Subject: Northrup target of anti fairtax push poll calls

NEWS; B

Miller disavows 'push poll' calls that target Northrup

YETTER DEBORAH

405 words

16 October 2004

The Courier-Journal Louisville, KY

MET=METRO

9b

English

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Byline: Deborah Yetter

dyetter@courier-journal.com

Source: The Courier-Journal

Democratic congressional candidate Tony Miller said he is not responsible for a recorded phone call going out to Louisville households that purports to be a poll but is actually a message supporting his campaign.

"We don't know anything about it," said Terry McMahon, press secretary for Miller, who is challenging Republican incumbent Anne Northup for Kentucky's 3rd District seat.

Nor does the Northup campaign, which yesterday denounced the telephone "push poll" - so named because it purports to be a poll but is actually pushing a candidate or issue.

"I think it's the worst kind of campaigning," said Patrick Neely, campaign manager for Northup.

"It's a shame," McMahon said. "We have much better things to spend our money on."

The calls apparently started yesterday - that's when both campaigns began getting inquiries and complaints from people who had received the calls.

McMahon said one of the recorded push-poll calls even came into Miller headquarters yesterday.

One person who called Northup's headquarters provided a recording of the call left on a home voice mail to Neely, who forwarded it to The Courier-Journal.

The recorded message announces itself as a "one-question Kentucky poll." It then states that President Bush supports a new **national sales tax** that will cost the middle class millions, a tax that Miller opposes as a "tax burden on the middle class at a time when families are struggling." It asks listeners to "push one" if they plan to vote for Miller or to "push two" if they plan to vote for Northup "and the Bush economic plan."

Neither side had heard of the group placing the calls, identifying itself on the recorded message as "USA Public Opinion Group." The group has no local phone listing and was not listed as a business with the Kentucky secretary of state.

26044150368

EXHIBIT 3

2604150369

TED POE'S NATIONAL SALES TAX PLAN

X "A VERY DUMB IDEA"

Bruce Bartlett, economic policy adviser to Presidents Ronald Reagan and George H.W. Bush, August 9, 2004

X "A LOSS OF JOBS"

Dick Armey, former House Majority Leader, August 22, 2004

X "A DROP IN WAGES"

Dick Armey, former House Majority Leader, August 22, 2004

WATCH OUT: If Republicans say this about Poe's National Sales Tax plan, you better hold on to your wallets.

Paid for by the Democratic Congressional Campaign Committee, www.dccc.org, and not authorized by any candidate or candidate's committee.

DEMOCRATIC CONGRESSIONAL CAMPAIGN COMMITTEE

430 South Capitol Street, S.E.
Washington, D.C. 20003

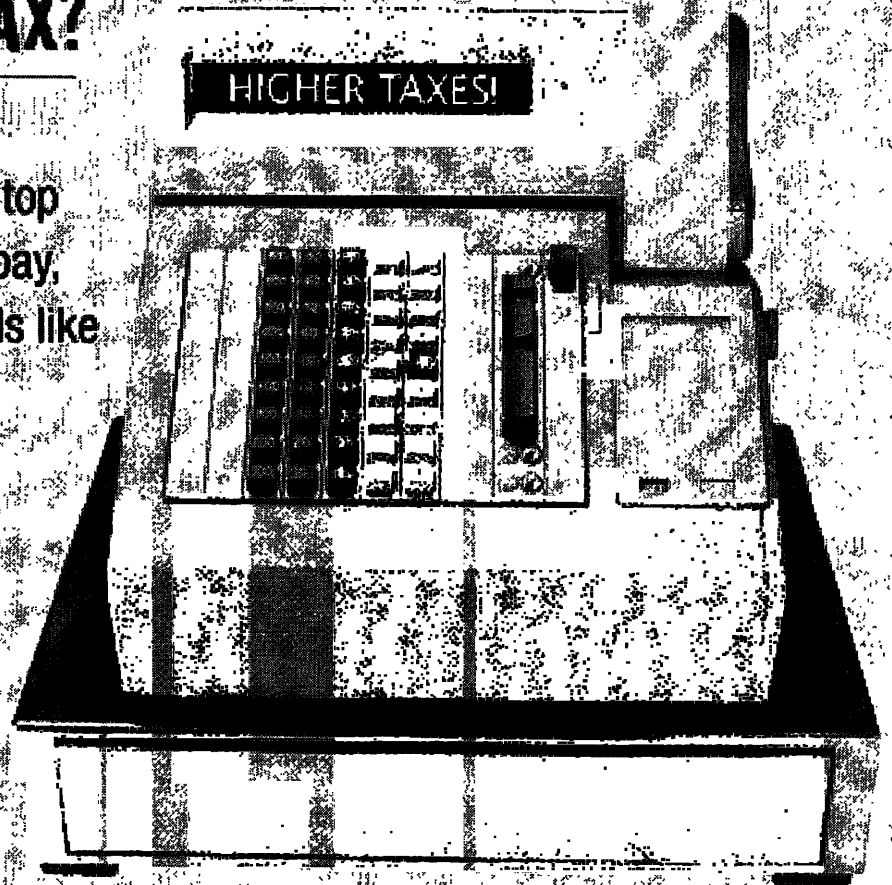
NONPROFIT.ORG
US POSTAGE
PAID
WESTERN
LITHOGRAPH

92-21-04

Ted Poe is on a crusade to eliminate taxes for corporations. He even boasts on his own web site:
"One of the great things about the National Retail Sales Tax is that it will replace the corporate income tax."

A NATIONAL SALES TAX?

That's right! Ted Poe wants to impose a National Sales Tax, on top of state sales taxes we already pay, estimated at 30% on basic goods like clothing, cars, household items, and even new homes.



Check it Out for Yourself!

Ted Poe's support for a flat tax and a National Sales Tax is a matter of public record.

[Source: www.tedpoe.com, Houston Chronicle, 8/29/04, www.chron.com; Free Market Foundation Voters Guide, www.freemarket.org]

**THE MORE WE KNOW, THE MORE IT'S CLEAR --
HARRIS COUNTY FAMILIES CAN'T AFFORD TED POE.
VOTE "NO" ON TED POE.**



TED POE STICKER SHOCK!



TED POE WANTS TO IMPOSE A NATIONAL SALES TAX.

After seeing what it will cost you,
you're going to want to:

- ☐ A. Hold on to your wallet
- ☐ B. Look for your voter registration card
- ☐ C. Circle Election Day, November 2nd, on your calendar
- ☐ D. All of the above

Check it Out for Yourself!

Ted Poe's support for a flat tax and a National Sales Tax is a matter of public record.

(Source: www.tedpoe.com; Houston Chronicle, 8/29/04, www.chron.com; Free Market Foundation Voters Guide, www.freemarket.org)

Paid for by the Democratic Congressional Campaign Committee, www.dccc.org, and not authorized by any candidate or candidate's committee.

DEMOCRATIC CONGRESSIONAL CAMPAIGN COMMITTEE
430 South Capitol Street, S.E.
Washington, D.C. 20003

NONPROFIT ORG
US POSTAGE
PAID
WESTERN
LITHOGRAPH

92-06-04

TED POE THINKS YOU SHOULD PAY MORE

**This Truck
Now Costs**



**BUT TED POE
WOULD MAKE
YOU PAY**



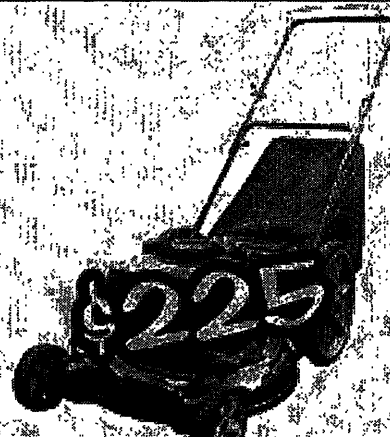
A National Sales Tax would increase prices by at least 30 percent.

[Source: National Center for Policy Analysis, 8/09/04, www.ncpa.org]

**This Lawn
Mower Now
Costs**



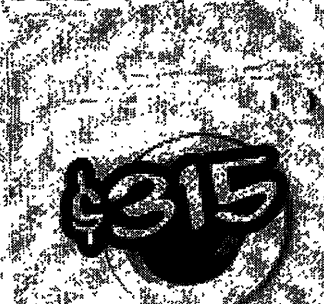
**BUT TED POE
WOULD MAKE
YOU PAY**



While we pay a National Sales Tax, Poe would eliminate all income taxes for corporations.

[Source: www.tedpoe.com; Houston Chronicle, 8/29/04, www.chron.com; Free Market Foundation Voters Guide, www.freemarket.org]

**This Washer
Now Costs**



**BUT TED POE
WOULD MAKE
YOU PAY**



It's estimated that 80% of all taxpayers would pay \$3,200 more a year.

[Source: Institute on Taxation and Economic Policy, September 2004, www.igepi.net.org]

**THE MORE WE KNOW, THE MORE IT'S CLEAR –
HARRIS COUNTY FAMILIES CAN'T AFFORD TED POE.
VOTE "NO" ON TED POE.**



WOULD YOU MAKE FAMILIES WITH CHILDREN PAY MORE?



WOULD YOU TAX SENIORS TWICE?



TED POE WANTS TO — AND ONLY YOU CAN STOP HIM!



Paid for by the Democratic Congressional Campaign Committee, www.dccc.org, and not authorized by any candidate or candidate's committee.

DEMOCRATIC CONGRESSIONAL CAMPAIGN COMMITTEE
130 South Capitol Street, S.E.
Washington, D.C. 20003

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WESTERN
LITHOGRAPH

92-19-04

**To eliminate corporate income taxes,
Ted Poe wants to impose a National Sales Tax.**

***But Here Are the Facts that
Ted Poe Doesn't Want You to Know:***

**X FAMILIES WITH CHILDREN
ARE HIT HARDEST**

With a National Sales Tax, a middle class family with four children would face an increase of more than \$4,000 in their tax liability from the loss of their child tax credit, as well as face higher costs on everything from school supplies to gasoline.



X SENIORS ARE TAXED TWICE

With a National Sales Tax, seniors lose their income tax exemption on Social Security benefits and are forced to pay taxes twice — once in payroll taxes and again in sales taxes.



Check it Out for Yourself!

Ted Poe's support for a flat tax and a National Sales Tax is a matter of public record.

[Source: www.tedpoe.com; Houston Chronicle, 8/29/04; www.chron.com; Free Market Foundation Voters Guide, www.freemarket.org]

**THE MORE WE KNOW, THE MORE IT'S CLEAR —
HARRIS COUNTY FAMILIES CAN'T AFFORD TED POE.**

VOTE "NO" ON TED POE.



26044150376

EXHIBIT 4

Subj Pelosi on the NRST 1
 Date 10/17/2004 9:58 41 AM Pacific Standard Time
 From
 To.

Pelosi: 'National Sales Tax Would be Burden for Middle Class Americans, But Boon for the Wealthy'



WASHINGTON, Sept. 23 /PRNewswire/ -- House Democratic Leader Nancy Pelosi held a news conference in the Capitol this afternoon with Congressmen Charles Rangel of New York, and John Spratt and James Clyburn, both of South Carolina, to denounce a Republican plan for a national sales tax. Below are Pelosi's remarks and a fact sheet about the proposal:

"Today, we are here to highlight one of the many clear contrasts between Democrats and Republicans: Republicans want to undermine our American values of prosperity and fairness with a new national sales tax of at least 30 percent and as high as 50 percent or more on all goods, including homes and cars.

"A national sales tax would be a burden for middle class Americans, but a boon for the wealthy. Families with children would lose their current tax deductions, and seniors would essentially be taxed twice.

"This proposal is ludicrous and should be dismissed outright. Yet Speaker Hastert wrote about the national sales tax and the flat tax in his new book, saying 'both of these ideas are worthy of consideration.' And Majority Leader Tom DeLay is co-sponsoring the bill, and has said: 'It is high time the debate about the flat tax and a national consumption tax moved out of Washington think tanks and into American living rooms. That's why I have signed on to Congressman John Linder's proposal to scrap the current tax code altogether and replace it with a national sales tax.'

"The Republican plan would make it harder for middle class families to make ends meet. A national sales tax would undermine the American value of prosperity. For example, cars that cost \$20,000 would cost an additional \$6,000 under this proposal. Just wait until the car dealers hear about this proposal. Prescription drugs that cost \$100 would now cost \$130. New homes, insurance premiums, brokerage fees, and gasoline would all be heavily taxed to replace revenue brought in by the current tax system.

"It would wipe out our system of progressive taxation. A national sales tax would undermine the American value of fairness.

"The American people should be aware that the Republicans' primary tax agenda is a new national sales tax."

The Republican Plan to Raise Taxes on the Middle Class

All over the country, middle class Americans are being squeezed by Republican policies that have lost 1.7 million private sector jobs; allowed the price of health care, education, and gas to skyrocket; and created record deficits. Now Republicans are proposing a new national sales tax that would increase taxes for the typical middle class by about 50 percent. Democrats know that approach is wrong. Instead of raising taxes on the middle class, Democrats have pledged to promote prosperity and fairness by enacting middle class tax relief, creating new jobs, and eliminating tax loopholes so all Americans pay their fair share.

GOP SALES TAX HIKES A FAMILY'S TAX BURDEN BY 50 PERCENT

The new GOP national sales tax would replace all personal and corporate income taxes, Social Security, Medicare, and payroll taxes, and gift and estate taxes with a new national sales tax on goods like groceries, clothing, new home sales and apartment rents, and health care services. This new GOP tax would be applied on top of existing state sales taxes. This proposal would increase taxes by about \$3,200 a year for 80 percent of taxpayers, and

26044150377

potentially more for some families.

MIDDLE CLASS FAMILIES SQUEEZED AGAIN

Families with children. Families with children are hit the hardest, as this proposal would eliminate all the current law tax benefits for these families, including the child tax credit. A middle class family with four children with a combined income of \$65,000 would face an increase of more than \$5,000 in their tax liability.

New homeowners The Republican tax hike proposal would eliminate the tax deduction that families get on their home mortgages and apply this new sales percent tax to the cost of a home. If a family buys a new house listed for \$150,000, the new tax brings the actual purchase price to \$195,000.

Jump in property taxes The Republican sales tax hike would require states to send an additional \$300 billion to the federal government in sales taxes -- a tax increase that states would immediately pass on to residents. Arkansas, Delaware, Kentucky, Hawaii, and New Jersey could all see property tax increases higher than 400 percent. The lowest state property tax hike possible -- in New Hampshire -- would still be more than 70 percent.

Gas and electricity. The average family would pay an additional 60 cents a gallon for gasoline -- a new tax that will hit families in rural areas particularly hard. Families with large home heating or cooling bills also will be harmed.

SENIORS FACE NEW TAXES

Beneficiaries pay twice for Social Security and pension benefits. Most Social Security benefits and a portion of pension payments are exempt from income tax. But this proposal requires seniors to pay the new sales tax -- meaning that seniors are now being taxed twice for their Social Security, once when they pay the payroll taxes and again when they pay the sales taxes.

Threaten Solvency of the Medicare Trust Fund. Medicare would be required to pay the new sales tax as well, forcing the program into insolvency in five years. If this proposal were enacted, Medicare would run out of funds in 2009.

Undermines pension coverage. The new GOP sales tax hike would reduce the incentives employers currently get for offering their employees a pension plan. The American Academy of Actuaries has concluded that "pension plans would quickly diminish in number and size and gradually disappear" if a consumption tax, such as the national sales tax were enacted as a substitute to the current income tax

SOURCE Office of House Democratic Leader Nancy Pelosi
Web Site <http://democraticleader.house.gov>

26044150378

EXHIBIT 5

26044150379

Subj **Pelosi on NRST 2**
 Date 10/17/2004 10 02:23 AM Pacific Standard Time
 From
 To

 **The State.com**

Posted on Fri, Sep. 24, 2004

**House Democrats attack sales tax plan
 National attention focused on same issue Tenenbaum is using in Senate race
 By LAUREN MARKOE
 Washington Bureau**

WASHINGTON — Democrats across the country have watched admiringly as U.S. Senate nominee Inez Tenenbaum has blasted away at Republican Jim DeMint's proposal for a 23 percent national sales tax.

On Capitol Hill Thursday, they gave the issue a national platform.

"A national sales tax would be a burden for middle-class families but a boon for the wealthy," said House Minority Leader Nancy Pelosi, D-Calif.

She released a 25-page report, authored by the Democratic staff of the House Ways and Means Committee, that concludes the tax would inflate the cost of everything from milk to medication.

The report contends that, with a national sales tax, the average effective tax rate would be more than 30 percent for those in the lowest income brackets, and those making more than \$315,000 a year would pay 5 percent.

Pelosi sounded much like Tenenbaum in past weeks. After struggling to find a focus for her campaign, Tenenbaum has settled on DeMint's tax proposal.

DeMint, a three-term congressman from Greenville, has been forced to run ads defending his position on the tax. And though campaign polls show him running ahead of Tenenbaum, they also show the race tightening since she went on the offensive with the issue a month ago.

Pelosi and other national Democrats "see that it's been fairly effective in South Carolina," said Jennifer Duffy, managing editor of the nonpartisan Cook Political Report. "Perhaps they would like to see if it would stick somewhere else."

DeMint campaign spokesman Geoff Embler said it would be folly for Democrats to try to win elections on tax issues, "especially in this race against Jim DeMint, who has established so much credibility on the issue."

The National Tax Limitation Foundation and Americans for Tax Reform both have given DeMint a 100 percent rating for his votes on tax matters.

Brad Woodhouse, a spokesman for the Democratic Senatorial Campaign Committee — which is charged with working to elect as many Democrats as possible to the Senate — said there is no coordinated campaign to make GOP support for a national sales tax an issue nationwide.

However, he said, Tenenbaum's blueprint might be effective in such states as Georgia and Oklahoma, where GOP Senate nominees have taken positions similar to DeMint's.

In South Carolina, DeMint has charged Tenenbaum with distorting his proposal because she fails to mention that it would eliminate the federal income tax. The poorest Americans would get a rebate check under his plan, he said, and most would pay lower taxes.

Pelosi was joined by the two Democratic congressmen from South Carolina — Jim Clyburn of Columbia, vice chairman of the House Democratic Caucus; and John Spratt of York, ranking Democrat on the House Budget Committee.

In spite of the fact that the White House and most Republicans in Congress show little interest in making the tax a legislative priority, Spratt said the threat is real because Republicans have been pushing a national sales tax, a flat tax, and other regressive taxes for years.

Reach Markoe at (202) 383-6023 or markoe@krwashington.com

26044150381

EXHIBIT 6

26044150382

Subj **Pelosi states she will target Burns on NRST**
 Date 10/17/2004 10:29 13 AM Pacific Standard Time
 From
 To

Article 3

[Previous Article](#)|[Next Article](#)

House Races

Confident Pelosi Predicts Victory, Cites Weak Incumbents

— by Mark Wegner

436 words

1 October 2004

[CongressDaily/P M](#)

English

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Portraying a Democratic House majority as a near certainty, Minority Leader **Pelosi** said today Democrats have expanded their base in districts nationwide and would offer many GOP incumbents their most serious challenge ever. "If the election were held today we would win," **Pelosi** said. "I'd rather be where we are than where they have been." **Pelosi** said Democratic polling shows 14 Republican incumbents who are under 50 percent. She said outside of five targeted Texas Democrats, no Democratic incumbents are below 50 percent. While Democrats are viewed as competitive enough to win the White House and possibly the Senate, most observers have placed longer odds on House Democrats. A National Republican Congressional Committee spokesman said **Pelosi's** comments are little more than pre-election cheerleading. "What happened to the 35 incumbent races they said they would target?" the NRCC spokesman asked. "I think **Pelosi** is living in a fairy land."

This is an example of why she is and will continue to be the minority leader." The spokesman prodded **Pelosi** to accept the challenge of NRCC Chairman Thomas Reynolds of New York to resign from leadership if Democrats failed to win the House.

Pelosi's list of endangered GOP incumbents included Reps. Bob Beauprez of Colorado, **Max Burns of Georgia**, Philip Crane of Illinois, Jim Gerlach of Pennsylvania, Katherine Harris of Florida, John Hostettler, of Indiana, Mark Kennedy and John Kline, both of Minnesota, Jon Porter of Nevada, Rick Renzi of Arizona, **Anne Northup of Kentucky**, Rob Simmons of Connecticut, Charles Taylor of North Carolina, and Heather Wilson of New Mexico. **Pelosi** said demographic changes such as growth in the Hispanic population favor Democrats. "Their days are numbered and they know it," she said of the targeted Republicans.

Pelosi said President Bush and Republicans have relied on "wedge issues," including this week's House votes on gun control and gay marriage, to win elections. She said Republicans have failed to pass legislation and Democrats would win on issues such as jobs, health care, the environment, veterans and small business. She said Democrats would likely target **Beauprez, Burns and Taylor, among others, for their support of a 23 percent national sales tax plan**. Democrats have successfully used the issue against Rep. Jim DeMint, R-S.C., in his Senate race. **Pelosi** also said the Sen. John Kerry, D-Mass., showed strength in his presidential debate performance Thursday night. "We're going to help John Kerry win and then we are going to help John Kerry succeed when we win our House races," she said.

Document CNGD000020041001e0a100006

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EXHIBIT 7

Subj **More evidence - press on push polls - new race to add to our list - LA-07**
 Date 10/20/2004 8 22:37 PM Pacific Standard Time
 From
 To

Article 11

[Previous Article](#)|[Next Article](#)

News

National Democrats slam Boustany

PATRICK COURREGES

980 words

19 October 2004

The Baton Rouge Advocate

X;1-B

English

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The national Democratic Congressional Campaign Committee alleges Republican 7th Congressional District candidate Charles Boustany Jr. aspired to British nobility before making a run for U.S. Congress.

The DCCC allegations came out less than a week after one of Boustany's rivals in the Nov. 2 election - state Sen Willie Mount, D-Lake Charles - called for a cease-fire on the attack ads being run by both national parties against her and Boustany.

Mount repeated that call in a Monday news conference.

Greg Speed with the DCCC said late last week that researchers for the party has turned up a 1995 lawsuit Boustany, a recently retired heart surgeon, filed in Louisiana's 15th Judicial District against two men in Britain for defrauding him in a \$50,000 investment and in the \$18,500 purchase of a "title."

Court records back that up, to a point. The two men from England - Martin Lewis and Stefanos Kollakis - were charged and found guilty in an English court in the mid-1990s for having sold bogus British noble titles to several Americans, among other nationalities.

Speed said the "title" question is something the DCCC will make an issue of in the campaign because it shows Boustany is not in touch with working class people in his district and his sensibilities and loyalties lie with the wealthy.

"Not only is Boustany a wealthy doctor, he apparently dreams of being British nobility as well," Speed said. "America got rid of the monarchy over 200 years ago. Louisiana's not going to restore it by electing Lord Boustany to Congress."

Boustany said the DCCC has got the story wrong on a couple of counts.

He said he and his wife, Bridget, got in on what turned out to be a doubly bad investment.

They invested \$50,000 in a company that turned out to be fraudulent, for one part, and for the other, Bridget wanted to go through the same people to make him a gift of some historical papers and books.

Boustany said that's what the term "title" in the lawsuit applies to, ownership of the papers that his wife tried to buy for him to celebrate his having been named as king of a local Mardi Gras krewe, the Krewe of Troubadours.

"I think one of the things the guys up there in (Washington) D.C don't understand is Mardi Gras," he said

Boustany said he only got about one-fourth of the documents and books promised, so he sued.

None of those documents, he said, dealt with giving him any kind of noble title in the United Kingdom.

Speed said Boustany's argument rebutting the DCCC claim is a "distinction without a difference "

He said that Lewis and Kollakis were in the business of providing phony bona-fides for people wanting to buy British lordships, and that if Boustany was promised documents, that's what they had to do with.

Officials with London's Metropolitan Police - more famously known as Scotland Yard - said in reply to The Advocate's initial information request that police and court records of the sort that might lay out exactly what Boustany tried to buy are generally not public record

Even as the DCCC has checked up on Boustany, Democratic opponent Mount held a Monday news conference condemning Boustany "and his Republican backers in Washington" for attacks on her campaign.

She played a tape of a voice mail she said was received by a Republican friend, in which an organization identified as the "USA Public Opinion Group" claims Boustany backs a purported plan of Republican President Bush to create a "**national sales tax** on everything," Mount opposes the sales tax "because it unfairly places the tax burden on the middle class," and asks people receiving the call to press one button to express support for Boustany and another to express support for Mount.

Mount said the calls are going to Republicans, not Democrats, and are "a trick, designed to deceive and outrage conservative Republican voters "

"This call was not placed by my campaign or by any Democratic group," she said "It almost certainly came from either Boustany's campaign or from the Republican negative attack machine."

Neither of those groups agree with her conclusions

Bo Harmon with the Republican National Congressional Committee said that if his party had anything to do with it, the recorded messages would have to be identified as having been paid for by the RNCC The message gives no information as to who paid for it

Boustany's campaign not only claims not to be behind the message, it called in a release Friday for the "negative push poll" to be stopped, and blamed Mount and the Democrats for having backed it.

"You can't go on the attack and then act like the victim," said Amy Jones, with the Boustany campaign. "That's ludicrous "

She said the DCCC has run a smear campaign on Boustany, trying to attach whatever negativity it can to his candidacy because he doesn't have a bad governmental record to blast.

Jones pointed out that in DCCC ads alleging Boustany wants to allow the raiding of the Social Security trust fund and increase taxes on the middle class, a Web site - that of the Center on Budget and Policy Priorities - that makes no mention of Boustany is cited as a source of the allegations

The DCCC has said it bases its ad allegations on statements Boustany has made that he backs making permanent some temporary tax cuts made during the Bush administration, and on selected studies that show some possible impacts of those tax changes in the long run.

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EXHIBIT 8

26044150387

Subj. **Fw: KY push poll story - more evidence in KY - DCCC does ads in same place push polls occur**
 Date 10/20/2004 8 23:52 PM Pacific Standard Time
 From
 To

Subject: KY push poll story

Veterans To Watch (24D, 18R), KENTUCKY 03

Revisionist History?

685 words

19 October 2004

House Race Hotline

English

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Latest Polls, Latest Ads, News Updates...

Rep. Anne Northup defeated Dem Jack Conway in '02, "so he is amused to hear she has been praising him while campaigning" against Tony Miller (D). Northup publicly describes Conway as "brimming with ideas." Conway "She wasn't so kind two years ago " Northup "is an aggressive, relentless campaigner who uses every tool she can muster against an opponent." Rothenberg Political Report editor Stuart Rothenberg: "She is -- and I say this with the greatest of admiration -- an animal when it comes to political campaigns. She's very aggressive, very polished She runs great campaigns " (Yetter, Louisville Courier Journal, 10/17)

Crank Yankers?

Tony Miller (D) "said he is not responsible for a recorded phone call going out to Louisville households that purports to be a poll but is actually a message supporting his campaign Miller press sec. Terry McMahon: "We don't know anything about it." Nor does the Northup campaign, "which yesterday denounced the telephone 'push poll' so named because it purports to be a pole but is actually pushing a candidate or issue." Northup manager Patrick Neely: "I think it's the worst kind of campaigning. It's a shame. We have much better things to spend our money on."

The recorded message "announces itself" as a "one-question Kentucky poll." It then says that Pres. Bush "supports a new **national sales tax** that will cost the middle class millions" a tax that Miller opposes as "tax burden on the middle class at a time when families are struggling " It asks listeners to "pick one" if they plan to vote for Miller or to "push two" if they plan to vote for Northup. "Neither side had heard of the group placing the calls," identifying itself on the recorded message as "USA Public Opinion Group." The group isn't listed locally and wasn't listed as a business with the KY SoS. Neely "said Northup doesn't support a nat'l sales tax Nor, apparently, does Pres. Bush, though he has in past comments called it an interesting idea as a possible replacement for the federal tax system." (Yetter, Louisville Courier-Journal, 10/16)

Problems With The Rank And File?

"Midway through his campaign for U.S. Congress," Tony Miller (D) and his campaign manager "parted ways -- over emery boards, among other disagreements." Manager Kris Schultz "objected to nail files bearing Miller's name that he likes to hand out as he campaigns. Miller: "One of the things I've discovered over the years is when you give an emery board to a woman, they never turn it down It's name recognition because they keep that for weeks and weeks " Schultz, now working in Milwaukee, "said she viewed the emery boards as old-fashioned " Miller says handing out "keepsakes is part of his style-working the crowds at church picnics and meeting voters one-on-one He is also relying on contacts dating back to the 17 years his father, Paulie Miller, a well-known

football coach at the former Flaget High School, served as circuit clerk" before Miller moved into the job in '88.

More Stuart Rothenberg: "His get-up-and-go got up and went. He just didn't strike me as a high energy candidate
Miller: "I do have a lot of energy and drive, and I look forward to being the next congressman, and I plan to be the congressman for a long time " (Yetter, Louisville Courier-Journal, 10/17)

From a DCCC ad, titled "Bush Healthcare," BUSH. "Our nation has the best health care system in the world "
ANNCR: "Anne Northup says she's working with the Bush Administration on health care proposals So what's the Bush/Northup record? Health premiums up 17% in two years; 82,000 more Kentuckians without health insurance; 10,000 more children, Medicare deductibles up by 78% in the next 8 years and premiums up 65%
Bush/Northup - we can do better **The Democratic Congressional Campaign Committee is responsible for the content of this advertising" (CMAG data).**

Document HRH0000020041019e0aj0000o

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The other Republican in the race is Lafayette Parish School Board member David Thibodaux

The other Democrats are state Sen Don Cravins of Arnaudville and union organizer Malcolm Carriere of Lafayette

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EXHIBIT 9

26044150391

Subj evidence - CT - Congressman Simmons - CT target of push poll calls - not a cosponsor.
 Date. 10/20/2004 8:25 23 PM Pacific Standard Time
 From
 To

CONNECTICUT

RACE IN 2ND HEATS UP SIMMONS AND SULLIVAN GO ON THE ATTACK

PENELOPE OVERTON; Courant Staff Writer
 770 words
 19 October 2004
 The Hartford Courant
 5 NORTHWEST CONNECTICUT/SPORTS FINAL
 B1

English

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Correction published October 20, 2004. * The Chamber of Commerce of Eastern Connecticut hosted Monday's debate between 2nd Congressional District candidates. The host group was incorrectly referred to as the New London Area Chamber of Commerce in a story on Page B1 Tuesday.

NEW LONDON —

Two weeks before Election Day, with poll numbers suggesting it's anybody's race, the candidates in Connecticut's 2nd Congressional District have officially taken off the gloves.

Incumbent Republican Rob Simmons and Democratic challenger Jim Sullivan are attacking each other in high-priced TV commercials and campaign fliers, and their deep-pocketed Washington, D.C., proxies are duking it out on local answering machines.

The mood of the candidate debates, including one hosted Monday by the New London Area Chamber of Commerce, has also darkened, with Simmons and Sullivan using more of their time tearing each other down than laying out their policies.

The candidates talked about tax cuts and Medicare reform, frivolous lawsuits and how best to keep the U.S. Naval Submarine Base in Groton open, but there were few new facts or policies introduced.

Sullivan attacked Simmons for exaggerating the amount of work done to complete Route 11, an unfinished highway that would, if completed, connect the New London area to Hartford. Simmons claims his clout has finally gotten the project "fast-tracked."

"He is running a commercial with a bulldozer behind him," Sullivan said. "I don't think there's been a bulldozer on Route 11 since before the day I was born."

Simmons condemned Sullivan's involvement with a seniors group that has criticized Pfizer Inc. of Groton for practices that discourage the importation of cheaper prescription drugs from Canada.

"How is that good for high-quality jobs in this part of the area?" Simmons boomed. "You think Pfizer can't just pull up stakes and move someplace else where they are better appreciated? You bet they can. I think that was a

terrible thing to do "

Simmons used his closing statement -- the last comment of the day -- to launch a fiery volley of accusations at Sullivan, claiming Sullivan had a poor attendance record as a Norwich alderman in the early 1990s. When he did show, he raised taxes, Simmons charged.

In its first television commercial in the race last month, the Republican National Committee also accused Sullivan of chronic absenteeism, voting to raise taxes and voting to raise electricity rates. Simmons has made this the theme of his own first attack ad, which began airing over the weekend. Simmons labels his rival "No-Show Sullivan."

But Sullivan is returning fire. His ads criticize Simmons for his votes on Iraq and Medicare. The national Democratic Party is running ads showing Simmons morphing into George Bush.

The latest attack is one Sullivan's aides say they did not launch. In the past few weeks, Simmons supporters have reported pre-recorded "robocall" messages on their answering machines that besmirch their candidate, said Simmons spokesman Pat O'Neil.

The first message, which O'Neil says was left by a group identifying itself as We The People, linked Simmons to House Majority Leader Tom DeLay, R-Texas, who is in hot water over two censures by the House Ethics Committee.

The second round of messages claims Simmons supports a bill that would implement a national sales tax. O'Neil said this is false.

Michael Winters, spokesman for the Sullivan campaign, said the candidate has only used robocalls once, to get out the vote for an Aug. 10 primary against Shaun McNally. It is itemized as a \$5,500 expense on Sullivan's campaign finance report.

Winters said there have been reports of robocalls criticizing Sullivan, and said the calls did not surprise him.

"It's what Rob does," Winters said. "It's the only way he knows how to campaign."

Two years ago, Simmons had to deal with public anger over automated calls that attacked his opponent, Joseph Courtney of Vernon, from a woman who identified herself only as Laura. The "Laura calls" cost him a lot, Simmons said.

"It's not the way I do business," Simmons said. "The whole thing disgusted me."

That's one of the reasons Simmons has raised almost three times what Sullivan has.

"I wanted to let everybody know I have enough money to run my own campaign in my own way," Simmons said. "That money will help me maintain control of the message, I hope. After all, win or lose, you've still got to live with yourself."

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EXHIBIT 10

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Fitzpatrick: Phone messages illegal

By **BRIAN CALLAWAY**
The Intelligencer

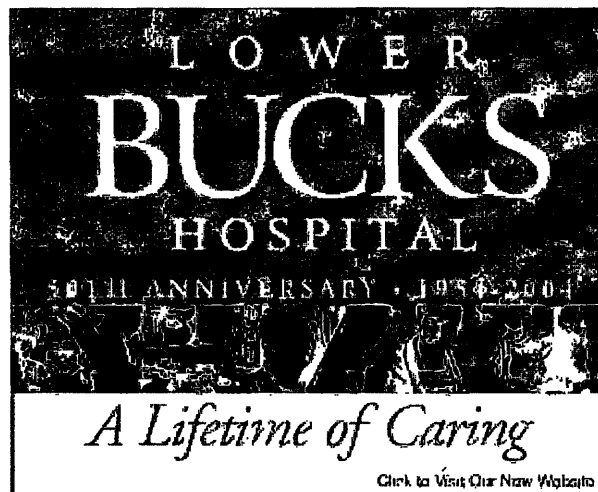
Republican congressional candidate Mike Fitzpatrick wants the federal government to investigate what his campaign is calling illegal phone calls to area residents that suggest he would support a new national sales tax.

Fitzpatrick doesn't back a national sales tax, his campaign manager Jim Cawley said, and he wants the phone calls stopped.

"We believe it to be illegal and we're turning it over to the (Federal Election Commission) for investigation," he said.

The recorded phone messages, which identify themselves as being made by USA Public Opinion Group, say that President Bush supports a national sales tax under which "the middle class would pay billions more in taxes while losing all their deductions."

The call then polls people, asking them to press one button if they would support Democratic congressional candidate Ginny Schrader - who opposes a sales tax, and who's running against Fitzpatrick in the 8th Congressional District - or another button if they would support Fitzpatrick "and the Bush economic plan."



Cawley said Schrader should repudiate the phone calls.

But Brian Smoot, the Democrat's campaign manager, said she had nothing to do with the phone messages and would have no comment on them.

Similar phone messages have been

made in places like Kentucky, but officials don't know who or where

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ABIN

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Courier Times
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dealing with

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basics

phillyburbs nav 

they're coming from.

Cawley said Fitzpatrick's campaign has consulted lawyers about the messages, which he said they believe are illegal because they don't give any type of disclaimer saying who paid for them.

An Internet search for "USA Public Opinion Group" only returns news reports of the group's calls going out in other parts of the country, but no information on where the group is located.

Ian Stirton, spokesman for the FEC, said the phone messages would have to be reviewed to determine whether they are illegal.

Brian Callaway can be reached at (215) 345-3060 or bcallaway@phillyBurbs.com.

October 21, 2004 5:59 AM

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EXHIBIT 11

26044150397

Subj Evidence - DCCC admits in Washington Times - they are using the national sales tax to pound candidates
 Date 10/21/2004 4 23 46 AM Pacific Daylight Time
 From
 To.

Democrats taking notice of Georgia

By Brian DeBose
 THE WASHINGTON TIMES

Rep. Johnny Isakson, a Republican Senate candidate from Georgia, appears to be cruising in the race, leading his Democratic opponent, Rep. Denise L. Majette, in the polls and in fund raising. However, once deemed a sure loser by political analysts and her own party, Mrs. Majette now is getting a little help from her friends inside the Beltway.

Analysts from both parties said the first-term congresswoman didn't have a chance against the seasoned Mr. Isakson, which has fueled her supporters to fight harder.



The Democratic Senatorial Campaign Committee (DSCC) — which had written off the race until Mr. Isakson introduced his 23 percent sales-tax plan — is stepping in to help the struggling candidate. The Isakson tax plan would eliminate the statewide income tax and most taxes on businesses.

The sales-tax issue seems to have hurt Senate candidate Rep. Jim DeMint, South Carolina Republican, who proposed a plan similar to Mr. Isakson's, bringing his Democratic opponent, education Superintendent Inez Tenenbaum, back into the race as members of his own party publicly opposed the plan.

"The tax issue has been effective for us," DSCC spokesman Brad Woodhouse said. "It has been effective in South Carolina, we're using it as an ad against [Senate candidate] Pete Coors in Colorado, and no one would be using it if it didn't poll well for them."

The DSCC, which has been absent in the Georgia race since August and most of September, gave the Majette campaign \$68,000, Mr. Woodhouse said, in addition to \$15,000 from the political committee of DSCC Chairman Sen. Jon Corzine of New Jersey.

Majette campaign officials said the DSCC has given an additional \$100,000 within the past week.

Political analyst Charlie Cook, editor of the Cook Political Report, said that move is a mistake.

"Campaign committees are not charitable organizations. They are there for a reason: to win races, and Denise Majette does not have the slightest chance on the face of the Earth to win that race," Mr. Cook said. "Frankly, I think Corzine should be removed from the chairmanship if he gave her any appreciable amount of money, just like [Senate candidate] Alan Keyes has no chance of winning in Illinois. So why should the National Republican Senatorial Committee put any money there?"

A Strategic Vision poll of 801 likely voters shows Mr. Isakson leading Mrs. Majette, 54 percent to 39 percent. Mrs. Majette has not been within 15 points of her opponent at any time in the race. That hasn't stopped the Majette campaign.

Despite the poor polling and lagging in fund raising, Mrs. Majette has \$594,963 on hand with \$19,011 of debt to

Mr Isakson's \$979,810 on hand with no debt.

"We've been competitive on television, our opponent was on seven days before us, and Democrats have been pleasantly surprised by it," Majette campaign spokesman Rick Dent said "It's been tough, but we've turned lemons into lemonade by showing that Denise Majette will go to Washington and work for regular people and families and the other guy is getting his money from drug companies and corporations and they are not giving him money out of civic pride "

Calls to Mr. Isakson's campaign were not returned by press time yesterday

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